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INTERSTATE COMMERCE COMMISSION

LEASE OF RAILROAD EQUIPMENT  
Dated as of March 1, 1972

between

CHICAGO HEIGHTS TERMINAL TRANSFER RAILROAD COMPANY

and

CHICAGO & EASTERN ILLINOIS RAILROAD COMPANY

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COLLATERAL ASSIGNMENT OF LEASE AND AGREEMENT  
Dated as of March 1, 1972

between

CHICAGO HEIGHTS TERMINAL TRANSFER RAILROAD COMPANY

and

CONTINENTAL ILLINOIS NATIONAL BANK AND  
TRUST COMPANY OF CHICAGO

---

300 100-Ton 4740 cu. ft. Covered Hopper Cars

LEASE OF RAILROAD EQUIPMENT

THIS AGREEMENT, entered into as of the 1st day of March, 1972, by and between CHICAGO HEIGHTS TERMINAL TRANSFER RAILROAD COMPANY, whose address is 210 N. 13th Street, St. Louis, Mo. 63103, hereinafter referred to as "Lessor", and CHICAGO & EASTERN ILLINOIS RAILROAD COMPANY, an Indiana corporation, whose address is 210 North 13th Street, St. Louis, Missouri 63103, hereinafter referred to as "Lessee",  
WITNESSETH:

R E C I T A L S:

The parties hereto have reached an understanding with respect to Lessor arranging for the construction of certain steel hopper cars (hereinafter called the Cars) and the leasing of said Cars by Lessor to Lessee, and desire to set forth in writing their agreement with respect thereto.

NOW, THEREFORE, in consideration of the premises, the parties hereto agree:

1. Lease and Hire: Lessor hereby lets to Lessee and Lessee hereby hires from Lessor the following designated and described cars:

300 100-Ton 4740 cu. ft. Covered Hopper Cars, AAR  
Class LO, numbered C&EI 716600 to  
716899, both inclusive.

2. Rental Payments: The Lessee hereby covenants and agrees to pay, or cause to be paid to the Lessor and its successors and assigns, or at such bank or trust company as Lessor shall specify, as rent for said equipment subject to this lease during the term hereof, the following:

(a) 20 consecutive equal semi-annual payments commencing September 1, 1972, and subsequent instalments shall be payable semiannually thereafter on March 1 and September 1 through March 1, 1982, each in the amount of \$196,250.00; and

(b) an amount equal to interest, from the Closing Date, on the remaining unpaid (whether or not then due) rent instalments described in the preceding clause (a), at a rate per annum equal to 1/4 of 1% per annum above

the Prime Rate which shall be the best rate of Continental Illinois National Bank and Trust Company of Chicago for loans of 90-day maturity to substantial and responsible commercial borrowers as from time to time in effect; provided, however, such rate of interest in no event be less than 4% per annum nor more than 9% per annum. Each change in such interest rate shall take effect on the first day of the month following the change in such Prime Rate. Such amount shall be payable semiannually on September 1 and March 1 of each year commencing September 1, 1972 and ending March 1, 1982. As used hereinabove, the word "Closing Date" shall mean the date of Lessor's closing of its acquisition financing under Conditional Sale Agreement dated March 1, 1972, with Continental Illinois National Bank and Trust Company of Chicago.

3. Net Lease: This Lease is a net lease and it is contemplated that it will be assigned as collateral to the Continental Illinois National Bank and Trust Company of Chicago. The Lessee shall not be entitled as against the Lessor or Lessor's said Assignee, or any successor assignee to such bank, to any abatement of rent, reduction thereof or setoff against rent, including, but not limited to, abatements, reductions or setoffs due or alleged to be due by reason of any past, present or future claims of the Lessee against the Lessor or any of such Assignees under this Lease; nor, except as otherwise expressly provided herein, shall this Lease terminate, or the respective obligations of the Lessor or any of such Assignees or the Lessee be otherwise affected, by reason of any defect in or damage to or loss of possession or loss of use or destruction of all or any of the Cars from whatsoever cause, any liens, encumbrances or rights of others with respect to any of the Cars, the prohibition of or other restriction against the Lessee's use of all or any of the Cars, the interference with such use by any person or entity, the invalidity or unenforceability or lack of due authorization of this Lease, any insolvency, bankruptcy, reorganization or similar proceeding against the Lessee, or for any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties hereto that the rents and other amounts payable by the Lessee hereunder shall continue to be payable in all events in the manner and at the times herein provided unless the obligation to pay the same shall be terminated pursuant to the express provisions of this Lease.

To the extent permitted by applicable law, the Lessee hereby waives any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender the lease of any of the Cars, except in accordance with the express terms

hereof. Each rental or other payment made by the Lessee hereunder shall be final and the Lessee shall not seek to recover all or any part of such payment from the Lessor or any Assignee of Lessor's interest in the Lease for any reason whatsoever.

4. Term of Lease: The term of this Lease as to each Car shall begin on the date of the delivery to and acceptance by the Lessee of such Car and, subject to the provisions of Articles 8 and 14 hereof, and shall terminate on the date on which the final semiannual payment of rent in respect thereof is due hereunder.

5. Taxes: All payments to be made by the Lessee hereunder will be free of expense to the Lessor for collection or other charges and will be free of expense to the Lessor with respect to the amount of any local, state, federal, or foreign taxes (other than (a) any United States federal income tax and, to the extent that the Lessor receives credit therefor against its United States federal income tax liability, any foreign income tax payable by the Lessor in consequence of the receipt of payments provided for herein, and (b) the aggregate of all state or city income taxes or franchise taxes measured by net income based on such receipts, up to the amount of any such taxes which would be payable to the state and city in which the Lessor has its principal place of business without apportionment to any other state, except any such tax which is in substitution for or relieves the Lessee from the payment of taxes which it would otherwise be obligated to pay or reimburse as herein provided) or license fees, assessments, charges, fines or penalties (all such expenses, taxes, license fees, assessments, charges, fines and penalties being hereinafter called impositions) hereafter levied or imposed upon or in connection with or measured by this Lease or any sale, rental, use, payment, shipment, delivery or transfer of title under the terms hereof, all of which impositions the Lessee assumes and agrees to pay on demand in addition to the payments to be made by it provided for herein.

The Lessee will also pay promptly all impositions which may be imposed upon any Car or for the use or operation thereof or upon the earnings arising therefrom (except as provided above) or upon the Lessor solely by reason of its ownership thereof and will keep at all times all and every part of such Car free and clear of all impositions which might in any way affect the title of the Lessor or result in a lien upon any such Car; provided, however, that the Lessee shall be under no obligation to pay any impositions of any kind so long as it

is contesting in good faith and by appropriate legal proceedings such impositions and the nonpayment thereof does not, in the opinion of the Lessor, adversely affect the title, property or rights of the Lessor hereunder. If any impositions shall have been charged or levied against the Lessor directly and paid by the Lessor, the Lessee shall reimburse the Lessor on presentation of an invoice therefor.

In the event any reports with respect to impositions are required to be made, the Lessee will either make such reports in such manner as to show the interests of the Lessor in such Cars or notify the Lessor of such requirement and make such reports in such manner as shall be satisfactory to the Lessor.

In the event that, during the continuance of this Lease, the Lessee becomes liable for the payment or reimbursement of any imposition, pursuant to this Article 5, such liability shall continue, notwithstanding the expiration of this Lease, until all such impositions are paid or reimbursed by the Lessee.

6. Annual Reports: On or before March 31 in each year, commencing with the calendar year which begins after the expiration of 90 days from the date of this Lease, the Lessee will furnish to the Lessor and the Vendor an accurate statement (a) setting forth as at the preceding December 31 the amount, description and numbers of all Cars then leased hereunder, the amount, description and numbers of all Cars that have suffered a Casualty Occurrence during the preceding calendar year (or since the date of this Lease in the case of the first such statement) and such other information regarding the condition and state of repair of the Cars as the Lessor may reasonably request and (b) stating that, in the case of all Cars repainted or repaired during the period covered by such statement, the numbers and the markings required by Article 7 hereof have been preserved or replaced. The Lessor shall have the right by its agents, to inspect the Cars and the Lessee's records with respect thereto at such reasonable times as the Lessor may request during the continuance of this Lease.

7. Identification Marks: The Lessee will cause each Car to be kept numbered with its identifying number, and there will be plainly, distinctly, permanently and conspicuously placed and fastened on each side of each unit of Equipment a metal plate bearing the following legend, or such legend shall be otherwise plainly, distinctly, permanently and conspicuously marked on each

side thereof, in either case in letters not less than one-half inch in height:

"CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST  
COMPANY OF CHICAGO,  
ASSIGNEE, OWNER"

The Lessee will not place any such Car in operation, or exercise any control or dominion over the same, until such name and words shall have been so marked on both sides thereof and will replace promptly any such name and words which may be removed, defaced or destroyed.

The Lessee will not change the identifying number of any Car except in accordance with a statement of new number or numbers to be substituted therefor, which statement previously shall have been filed with the Lessor and filed, recorded and deposited by the Lessee in all public offices where this Lease shall have been filed, recorded and deposited.

Except as provided in the immediately preceding paragraph, the Lessee will not allow the name of any person, association or corporation to be placed on any Car as a designation that might be interpreted as a claim of ownership; provided, however, that the Lessee may allow the Cars to be lettered with the names or initials or other insignia customarily used by the Lessee or its affiliates on railroad equipment used by them of the same or a similar type for convenience of identification of their rights to use the Cars as permitted under this Lease.

8. Lost, Destroyed or Damaged Equipment: In the event that any unit of the Equipment shall be worn out, lost, destroyed, irreparably damaged or otherwise rendered permanently unfit for use from any cause whatsoever (such occurrences being hereinafter called "Casualty Occurrences") during the term of this Lease, the Lessee shall, within 30 days after it shall have been determined that such unit has suffered a Casualty Occurrence, fully inform the Lessor in regard thereto. On or before March 1 in each year the Lessee shall pay to the Lessor a sum equal to the fair value of all units of the Equipment having suffered a Casualty Occurrence in the preceding calendar year in respect of which a payment shall not theretofore have been made to the Lessor as hereinafter provided; provided, however, that from time to time, in any calendar year, when the total fair value of the units of the Equipment having suffered a Casualty Occurrence (exclusive of units of the Equipment having suffered a Casualty Occurrence in respect of what a payment shall theretofore have been made to the Lessor pursuant to this Article 8)

shall exceed \$100,000, the Lessee, within 30 days of such event, shall pay to the Lessor a sum equal to the fair value of such units.

For all purposes of this Article 8 the value of any unit suffering a Casualty Occurrence shall be the Purchase Price of such unit less depreciation at a rate not in excess of 6% per annum for the period elapsed since the date of delivery and acceptance of such unit to the date of the Casualty Occurrence in respect thereof.

Any money paid to or received by the Lessor pursuant to this Article 8 shall, so long as none of the events of default specified in Article 14 hereof shall have occurred and be continuing, be applied, in whole or in part, as the Lessee may direct in a written instrument filed with the Lessor, to prepay Rental Payment required by Section 2(a) hereof or to or toward the cost of a unit or units of standard gauge railroad equipment (other than work or passenger equipment) first put into service no earlier than March 1, 1972, to replace such units having suffered a Casualty Occurrence, as the Lessee may direct in such written instrument. In case any such money shall be applied to prepay Rental Payments, it shall be so applied to payments of rent hereunder thereafter falling due in the inverse order of their payment dates (but without premium and whether or not such amount shall be sufficient to prepay one or more entire instalments). In case of replacement the amount to be paid by the Lessor in respect of any replacing unit shall not exceed the lesser of the cost of such unit or the amount which such unit would have cost if acquired on the earliest date when any of such money was paid to the Lessor and the Lessee shall pay any additional cost of such unit. The amount which any such replacing unit would have cost if acquired on the earliest date when any of such money was paid to the Lessor and the applicable rate of depreciation on the replaced unit shall be conclusively determined by the certificate of the President, a Vice President, the Treasurer, or the Controller or other Chief Accounting Officer of the Lessee.

The Lessee will cause any replacing unit to be plated or marked as provided in Article 7 hereof. Any and all such replacements of Equipment shall constitute accessions to the Equipment and shall be subject to all of the terms and conditions of this Lease as though part of the original Equipment delivered hereunder and shall be included in the term "Equipment" as used in this Lease. Title to all such replacements shall be free and clear of all liens and encumbrances. The

Lessee shall execute, acknowledge, deliver, file and record with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act all such documents and do any and all such acts as may be necessary to cause such replacements to come under and be subject to this Lease.

In the event that any moneys paid to, or held by, the Lessor pursuant to this Article 8 are applied to the prepayment of Rental Payments hereunder the Lessee will pay to the Lessor on the date of such application interest then accrued and unpaid on the Rental Payments so prepaid.

9. Return of Cars: On termination of this Lease, Lessee will return the Cars to the Lessor at St. Louis, Missouri, or at such other point as Lessor and Lessee may then mutually agree upon; provided, however, that any Car loaded on or before the next to the last day of the Lease term may complete the loaded trip, and return of such Car to Lessor shall be made at the time such Car is released after unloading; and provided further, that each Car shall remain subject to the terms and conditions of this Lease until return thereof.

10. Improvements, Modifications and Alterations: The cost of any improvements, modifications, alterations or additions made to the leased Cars, or Special Devices installed by or at the direction of the Lessee, will be borne by Lessee.

11. Assignment - Use and Possession: Lessee will not assign, transfer, encumber or otherwise dispose of its leasehold interest under this Lease, the Cars or any part thereof, or sublet the Cars or change or permit to be changed or altered the lettering and/or numbering of the Cars, or any of them, without the consent of the Lessor in writing first obtained, except that Lessee may permit the use of the Cars by any subsidiary or affiliated railroad company or on lines of railroad other than Lessee's in the United States and Canada in the usual interchange of traffic, but only upon and subject to all the terms and conditions of this Lease. Lessee will not permit any encumbrances or liens, based upon any action or liability of Lessee, to be entered or levied upon any of the Cars.

12. Liability: Lessor shall not be liable for any loss of or damage to anything loaded in or on the Cars and makes no representation as to the suitability of the Cars for use in any particular service. Lessee agrees to indemnify and save harmless Lessor from and against all losses, damages, injuries, liabilities, claims and demands whatsoever, regardless of the cause thereof, and any expenses in connection therewith, including



counsel fees, arising out of or as a result of the use and/or operation of the Cars during the term of this Lease, or by reason of any default by Lessee under this Lease.

13. Cleaning and Servicing: Lessee shall indemnify and hold harmless the Lessor from any claims made against Lessor, as Car owner, resulting from any failure to clean and service the Cars before loading.

14. Defaults and Remedies: If Lessee shall default in the performance or observance of covenants herein and to be performed or observed by Lessee, and such default shall continue for 10 days after notice by Lessor to Lessee, or there shall be filed by or against Lessee a petition in bankruptcy or for reorganization under any bankruptcy law, or there shall be a receiver appointed of any part of Lessee's property or Lessee shall make a general assignment for the benefit of creditors, then and in any such events Lessor, at its election, may terminate this Lease and repossess the Cars, and this Lease shall thereupon become and be terminated, or Lessor may repossess the Cars and relet the same or any part thereof to others for such rent or compensation and upon such terms as it may see fit; and if a sufficient sum shall not be thus realized after repaying all expenses of retaking and reletting the Cars and collecting the rentals thereof to satisfy amounts herein reserved or payable, Lessee agrees to satisfy and pay the deficiency from time to time upon demand. The obligation to pay such deficiency shall survive such termination and/or such retaking of the Cars to the end of the term of this Lease. Lessee shall, without expense to Lessor, assist Lessor in repossessing the Cars and shall for a reasonable time, if required by Lessor, permit storage of such Cars on trackage space owned or leased by Lessee, without cost to Lessor.

15. Obligations Suspended: In the event the performance, in whole or in part, of the obligations (other than for payment of money) of either party under this Lease is hindered, interrupted, or prevented by war, strikes, lockouts, fire, acts of God, or by other similar or different acts of civil or military authorities, or by any cause beyond the reasonable control of the defaulting party, whether similar to the causes herein specified or not, the obligations of such party shall be suspended to the extent of and for the time that performance thereof is prevented or affected by such hindrance, interruption, or prevention, but due diligence shall be observed by such party in resuming performance of its obligations, after removal of the interrupting cause.

16. Compliance with Laws and Regulations: This Lease is subject to all Federal, state and other laws, rules, regulations and ordinances which may now or hereafter affect, change or modify the terms or conditions hereof or render unlawful the performance of any of its provisions. Lessee shall comply with all governmental laws, regulations and requirements and with the Code of Rules of the Association of American Railroads with respect to the use, maintenance, and operation of such Cars subject to this Lease and will file and record the same with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act.

17. Lessee's Rights: Lessee acknowledges and agrees that it has not obtained, and by the execution hereof it does not obtain, and by payments and performance hereunder it will not obtain, any title to the Cars nor any property right or interest, legal or equitable; therein, except solely as Lessee hereunder. Lessee shall keep the Cars free from any encumbrance or lien which may be equal to or superior to Lessor's rights or which may be a cloud upon or otherwise affect Lessor's title. This Lease is expressly subject to the title, rights, powers and remedies of the Trustee, Owner and/or Lessor under any Equipment Trust, Conditional Sale, or other financing arrangement of Lessor.

18. Prior Understandings: Prior understandings and agreements between the parties with respect to the Cars covered by this Lease are merged herein, and the rights of the parties in respect of such Cars shall be governed by this Lease.

19. Successors and Assigns: Covenants herein shall inure to or bind each party's successors and assigns; provided that notwithstanding the assignment of this Lease by the Lessor, all obligations of the Lessor to the Lessee shall be and remain enforceable by the Lessee, its successors and assigns against the Lessor and not against any assignee or successor assignee of the Lessor's interest in the Lease.

20. Notices: Any notice required or permitted to be given by either party hereto to the other shall be deemed to have been given when deposited in the United States certified mails, first-class postage prepaid, addressed as follows:

(a) if to the Lessee, at 210 North 13th Street, St. Louis, Missouri 63103; and

(b) if to the Lessor, at 210 North 13th Street, St. Louis, Missouri 63103;

or addressed to either party at such other address as such party shall hereafter furnish to the other party in writing.

21. Severability, Effect and Modification of Lease: Any provision of this Lease which is prohibited or unenforceable in any jurisdiction shall be, as to such jurisdiction,

ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

This Lease exclusively and completely states the rights of the Lessor and the Lessee with respect to the Cars and supersedes all other agreements, oral or written, with respect to the Cars. No variation or modification of this Lease and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized officers of the Lessor and the Lessee.

22. Execution: This Lease may be executed in several counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same instrument. Although this Lease is dated as of March 1, 1972, for convenience, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgments hereto annexed.

23. Law Governing: The terms of this Lease and all rights and obligations hereunder shall be governed by the laws of the State of Missouri, provided, however, that the parties shall be entitled to all rights conferred by Section 20c of the Interstate Commerce Act.

IN WITNESS WHEREOF, the parties have duly executed this Lease the day and year first above written.

ATTEST:

CHICAGO HEIGHTS TERMINAL TRANSFER  
RAILROAD COMPANY (Lessor)

By [Signature]  
Assistant Secretary

By D. L. Wamsin  
Vice President

ATTEST:

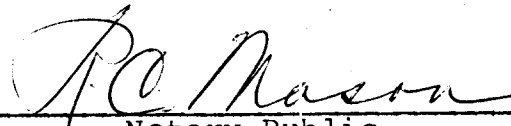
CHICAGO & EASTERN ILLINOIS RAILROAD  
COMPANY (Lessee)

By [Signature]  
Assistant Secretary

By [Signature]  
Vice President

STATE OF MISSOURI )  
CITY ) SS  
~~CITY~~ OF ST LOUIS )

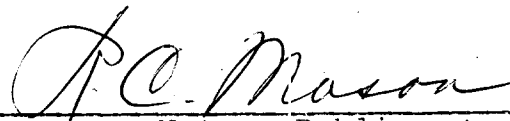
On this 30th day of March, 1972,  
before me personally appeared D. L. Manion, to  
me personally known, who, being by me duly sworn, says that he is  
the Vice President of CHICAGO HEIGHTS TERMINAL TRANSFER  
RAILROAD COMPANY, Lessor in the foregoing Lease of Railroad Equip-  
ment, that one of the seals affixed to the foregoing instrument  
is the corporate seal of said corporation, that said instrument  
was signed and sealed on behalf of said corporation by authority  
of its Board of Directors, and he acknowledged that the execution  
of the foregoing instrument was the free act and deed of said  
corporation.

  
\_\_\_\_\_  
Notary Public

My Commission expires: September 28, 1974

STATE OF MISSOURI )  
CITY ) SS  
OF ST LOUIS )

On this 30th day of March, 1972, be-  
fore me personally appeared C. J. Maurer, to me  
personally known, who, being by me duly sworn, says that he is  
Vice President of CHICAGO & EASTERN ILLINOIS RAIL-  
ROAD COMPANY, Lessee in the foregoing Lease of Railroad Equipment,  
that one of the seals affixed to the foregoing instrument is the  
corporate seal of said corporation, that said instrument was  
signed and sealed on behalf of said corporation by authority of  
its Board of Directors and he acknowledged that the execution of  
the foregoing instrument was the free act and deed of said  
corporation.

  
\_\_\_\_\_  
Notary Public

My Commission expires: September 28, 1974

COLLATERAL ASSIGNMENT OF LEASE AND AGREEMENT dated as of March 1, 1972 (hereinafter called "this Assignment"), by and between CHICAGO HEIGHTS TERMINAL TRANSFER RAILROAD COMPANY, an Illinois corporation (hereinafter called the Company) and CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO (hereinafter called the Bank).

WHEREAS the Company has entered into a Conditional Sale Agreement dated as of March 1, 1972 (hereinafter called the Conditional Sale Agreement), with Pullman Incorporated (Pullman-Standard Division) [hereinafter called the Builder] providing for the sale to the Company of such units of railroad equipment (hereinafter called the Units) described in Schedule B to the Conditional Sale Agreement as are delivered to and accepted by the Company thereunder, which Conditional Sale Agreement was recorded with the Interstate Commerce Commission on March 22, 1972 under Recordation No. 6525; and

WHEREAS the Builder has assigned its interests in the Conditional Sale Agreement to the Bank pursuant to an Agreement and Assignment dated as of March 1, 1972; and

WHEREAS the Company and CHICAGO & EASTERN ILLINOIS RAILROAD COMPANY (hereinafter called the Lessee) have entered into a Lease of Railroad Equipment dated as of March 1, 1972 (hereinafter called the Lease), providing for the leasing by the Company to the Lessee of the Units; and

WHEREAS, in order to provide security for the obligations of the Company under the Conditional Sale Agreement and as an inducement to the Bank to invest in the Conditional Sale Indebtedness (as that term is defined in the Conditional Sale Agreement), the Company has agreed to assign for security purposes its rights in, to and under the Lease to the Bank;

NOW, THEREFORE, in consideration of the premises and of the payments to be made and the covenants hereinafter mentioned to be kept and performed, the parties hereto agree as follows:

1. Subject to the provisions of Paragraph 13 hereof, the Company hereby assigns, transfers and sets over unto the Bank, as collateral security for the payment and performance of the Company's obligations under the Conditional Sale Agreement, all the Company's rights, title and interest as Lessor under the Lease, together with all rights, powers, privileges, and other benefits of the Company as Lessor under the Lease, including, without limitation, the immediate right to receive

and collect all rentals, profits and other sums payable to or receivable by the Company from the Lessee under or pursuant to the provisions of the Lease whether as rent, casualty payment, indemnity, liquidated damages, payments with respect to the guarantee of the Conditional Sale Agreement by the Lessee or otherwise (such moneys being hereinafter called the Payments), and the right to make all waivers and agreements, to give all notices, consents and releases, to take all action upon the happening of an event of default specified in the Lease, and to do any and all other things whatsoever which the Company, as Lessor, is or may become entitled to do under the Lease. In furtherance of the foregoing assignment, the Company hereby irrevocably authorizes and empowers the Bank, in its own name, or the name of its nominee, or in the name of the Company or as its attorney, to ask, demand, sue for, collect and receive any and all sums to which the Company is or may become entitled under the Lease, and to enforce compliance by the Lessee with all the terms and provisions thereof.

As agent for the Bank, the Company agrees to accept any Payments made by the Lessee and to hold and disburse the Payments in accordance with the instructions of the Bank.

2. This Assignment is executed only as security and, therefore, the execution and delivery of this Assignment shall not subject the Bank to, or transfer, or pass, or in any way affect or modify the liability of the Company under the Lease, it being understood and agreed that notwithstanding this Assignment or any subsequent assignment, all obligations of the Company to the Lessee shall be and remain enforceable by the Lessee, its successors and assigns, against, and only against, the Company or persons other than the Bank.

3. To protect the security afforded by this Assignment the Company agrees as follows:

(a) The Company will faithfully abide by, perform and discharge each and every obligation, covenant and agreement which the Lease provides are to be performed by the Company; without the written consent of the Bank, the Company will not anticipate the rents under the Lease or waive, excuse, condone, forgive or in any manner release or discharge the Lessee thereunder of or from the obligations, covenants, conditions and agreements to be performed by the Lessee, including, without limitation, the obligation to pay the rents in the manner and at the

time and place specified therein or enter into any agreement amending, modifying or terminating the Lease and the Company agrees that any amendment, modification or termination thereof without such consent shall be void.

(b) At the Company's sole cost and expense, the Company will appear in and defend every action or proceeding arising under, growing out of or in any manner connected with the obligations, duties or liabilities of the Company under the Lease.

(c) Should the Company fail to make any payment or to do any act which this Assignment requires the Company to make or do, then the Bank, but without obligation so to do, after first making written demand upon the Company and affording the Company a reasonable period of time within which to make such payment or do such act, but without releasing the Company from any obligation hereunder, may make or do the same in such manner and to such extent as the Bank may deem necessary to protect the security hereof, including specifically, without limiting its general powers, the right to appear in and defend any action or proceeding purporting to affect the security hereof and the rights or powers of the Bank, and also the right to perform and discharge each and every obligation, covenant and agreement of the Company contained in the Lease; and in exercising any such powers, the Bank may pay necessary costs and expenses, employ counsel and incur and pay reasonable attorneys' fees, and the Company will reimburse the Bank for such costs, expenses and fees with interest at 9-1/2% per annum.

4. The Company does hereby constitute the Bank the Company's true and lawful attorney, irrevocably, with full power (in the name of the Company, or otherwise), to ask, require, demand, receive, compound and give acquittance for any and all Payments due and to become due under or arising out of the Lease to which the Company is or may become entitled, to enforce compliance by the Lessee with all the terms and provisions of the Lease, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which to the Bank may seem to be necessary or advisable in the premises.

5. Upon the full discharge and satisfaction of all the Company's obligations under the Conditional Sale Agreement, this Assignment and all rights herein assigned to the Bank

shall terminate, and all estate, right, title and interest of the Bank in and to the Lease shall revert to the Company.

6. The Company represents and warrants that (a) the execution and delivery by the Company of the Lease, this Assignment and the Conditional Sale Agreement and its Acknowledgment of Notice of Assignment thereof have each been duly authorized, and the Lease, this Assignment and the Conditional Sale Agreement and its Acknowledgment of Notice of Assignment thereof are and will remain the valid and binding obligations of the Company in accordance with their terms; (b) the Company has not executed any other assignment of the Lease and the Bank's right to receive all payments under the Lease is and will continue to be free and clear of any and all liens, agreements, security interests or other encumbrances, (c) notwithstanding this Assignment, the Company will conform and comply with each and all of the covenants and conditions in the Lease and the Conditional Sale Agreement set forth to be complied with by it, (d) to the knowledge of the Company, it has performed all obligations on its part to be performed under the Lease and the Conditional Sale Agreement on or prior to the date hereof and (e) the Lease and the Conditional Sale Agreement are in full force and effect and have not been canceled and to the knowledge of the Company there has not occurred on or prior to the date hereof any event of default under the Conditional Sale Agreement or any event which with notice and/or lapse of time would constitute such an event of default.

If an event of default under the Conditional Sale Agreement shall occur and be continuing, the Bank may declare all sums secured hereby immediately due and payable and may at its option without notice and without regard to the adequacy of the security of the sums hereby secured, either in person or by an agent with or without bringing any action or proceeding or by a receiver to be appointed by a court, take possession of and operate the Units or any part thereof in accordance with the terms of the Conditional Sale Agreement and do any acts which the Bank deems proper to protect the security hereof, either with or without taking possession of the Units. The taking possession of the Units and the taking of any action permitted as aforesaid shall not cure or waive any default or waive, modify or affect any default hereunder or under the Lease or invalidate any act done hereunder.

7. The Company covenants and agrees with the Bank that in any suit, proceeding or action brought by the Bank, as assignee of the Company's right, title and interest under the Lease for any instalment of, or interest on, any rental or



other sum owing thereunder, or to enforce any provisions of the Lease, the Company will save, indemnify and keep the Bank harmless from and against all expense, loss or damage suffered by reason of any defense, setoff, counterclaim or recoupment whatsoever of the Lessee, or its successors, arising out of a breach by the Company of any obligation under the Lease or arising out of any other indebtedness or liability at any time owing to the Lessee or its successors from the Company. Any and all such obligations of the Company shall be and remain enforceable against and only against the Company and shall not be enforceable against the Bank, or any party or parties in whom any of the rights of the Company under the Lease shall vest by reason of successive assignments or transfers.

8. The Company will, from time to time, do and perform any other act and will execute, acknowledge, deliver and file, register, deposit and record (and will refile, re-register, rerecord or redeposit whenever required) any and all further instruments required by law or reasonably requested by the Bank in order to confirm or further assure, the interests of the Bank hereunder.

9. The Bank may assign all or any of the rights assigned to it hereby or arising under the Lease, including, without limitation, the right to receive any Payments due or to become due. In the event of any such assignment, any such subsequent or successive assignee or assignees shall, to the extent of such assignment, enjoy all the rights and privileges and be subject to all the obligations of the Bank hereunder.

10. This Assignment shall be governed by the laws of the State of Missouri, but the parties shall be entitled to all rights conferred by Section 20c of the Interstate Commerce Act.

11. The Company shall cause copies of all notices received in connection with the Lease and all payments hereunder to be promptly delivered or made to the Bank at its office in the City of Chicago, Illinois, or at such other address as the Bank shall designate.

12. The Company will promptly cause this Assignment to be filed and recorded in accordance with section 16 of the Lease.

13. Anything herein or in the Lease or in the Conditional Sale Agreement contained to the contrary notwithstanding:

(a) the Company may, but shall be under no obligation to, cure any event of default (as event of default is defined in section 14 of the Lease) suffered or permitted to occur by the Lessee under the Lease by making any payment (whether of rent, casualty payment, indemnity payment or other payment) or by performing any act which the Lease requires the Lessee to make or perform. Upon the making of any such payment or the performance of any such act by the Company, the event of default under the Lease or any event of default under the Conditional Sale Agreement which occurred in consequence of the Lessee's having failed to make such payment or to perform such act, shall for all purposes of both the Lease and the Conditional Sale Agreement be deemed to have been cured to the same extent as if the Lessee had made such payment or performed such act. The curing of any event of default by the Company shall not be deemed to impose any obligation or liability upon the Company to cure any subsequent event of default suffered or permitted to occur by the Lessee; and

(b) the Bank for itself and its successors and assigns, hereby agrees with the Company and its successors and assigns, that the Bank will not, so long as no event of default under the Lease or an event of default under the Conditional Sale Agreement has occurred and is then continuing, exercise or enforce, or seek to exercise or enforce, or avail itself of, any of the rights, powers, privileges, authorizations or benefits assigned and transferred by the Company to the Bank by this Assignment.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed in their respective corporate names by officers thereunto duly authorized, and their respective corporate seals to be affixed and duly attested, all as of the date first above written.

CHICAGO HEIGHTS TERMINAL TRANSFER  
RAILROAD COMPANY

[Corporate Seal]

By

*D. L. Manion*  
Vice President

ATTEST:

*[Signature]*  
Assistant Secretary

[Corporate Seal]

CONTINENTAL ILLINOIS NATIONAL BANK  
AND TRUST COMPANY OF CHICAGO

By

*[Signature]*  
Vice President

ATTEST:

*N. Rosk*  
Operations Officer

STATE OF MISSOURI     )  
                              ) SS.:  
CITY OF ST. LOUIS     )

On this 30<sup>th</sup> day of March, 1972, before me personally appeared T. L. MANION, to me personally known, who, being by me duly sworn, says that he is a Vice President of CHICAGO HEIGHTS TERMINAL TRANSFER RAILROAD COMPANY, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[Notarial Seal]

P. C. Mason  
Notary Public.

My Commission expires: Sept 28, 1974.

STATE OF ILLINOIS     )  
                              ) SS.:  
COUNTY OF COOK     )

On this 30<sup>th</sup> day of March, 1972, before me personally appeared HOLLIS W. RADEMACHER, to me personally known, who, being by me duly sworn, says that he is a Vice President of CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[Notarial Seal]

Stanley E. Evans  
Notary Public.

My Commission expires:

NOTARY PUBLIC  
CHICAGO, ILLINOIS

MY COMMISSION EXPIRES MARCH 7, 1975

## ACKNOWLEDGMENT OF NOTICE OF ASSIGNMENT

Receipt of a copy of, and due notice of the assignment made by, the foregoing Collateral Assignment of Lease and Agreement is acknowledged as of March 1, 1972.

CHICAGO & EASTERN ILLINOIS RAILROAD  
COMPANY

By

Vice/President